United Nations A/55/80

General Assembly

Distr.: General
24 May 2000

Original: English

Fifty-fifth session
Item 117 of the preliminary list*
Financial reports, audited financial statements, and reports of the Board of Auditors

Implementation of the recommendations of the Board of Auditors

Report of the Secretary-General

I. Introduction

1. In its resolution 52/212 B of 31 March 1998, the General Assembly accepted the recommendation of the Board of Auditors contained in the annex to the note by the Secretary-General (A/52/753), that progress reports should be submitted to the General Assembly on an annual basis on measures taken or to be taken in response to the recommendations of the Board of Auditors.

2. The present report has been prepared in accordance with that recommendation. Information is provided on measures taken or to be taken to implement those recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 1997[1] that were reported as not fully implemented in the report of the Secretary-General (A/54/140) dated 23 June 1999.

3. In preparing the present report, account was also taken of the provisions of General Assembly resolutions 49/216 A of 23 December 1994, in particular paragraphs 9 and 10; 49/216 B of 23 December 1994, paragraphs 3 and 4; 49/216 C of 23 December 1994, paragraph 3; 50/204 A of 23 December 1995, paragraph 4; 51/225 of 3 April 1997, section A, paragraph 10; and 52/212 B of 31 March 1998, paragraphs 3 to 5.

II. Previous recommendations not fully implemented

4. In paragraph 9 (a) of its report to the General Assembly at its fifty-third session,[2] the Board of Auditors drew attention to its recommendation made in 1990-1991 and 1994-1995 that the Administration should address the deficiencies in hiring, granting remunerations and performance evaluations of experts and consultants.

5. The new guidelines for the use of consultants and individual contractors were promulgated in administrative instruction ST/AI/1999/7 of 25 August 1999. As requested by the General Assembly, a report on the implementation of those guidelines was provided to the Advisory Committee on Administrative and Budgetary Questions on 25 August 1999 (A/C.5/54/4). The Advisory Committee presented its findings to the General Assembly at its fifty-fourth session (A/54/450). After discussion in the Fifth Committee during the first resumed session of the fifty-fourth session, the issue was deferred to the fifty-fifth session. The Assistant Secretary-General for Human

* A/55/50.

00-44557 (E) 260600

Resources Management is responsible for implementation of this recommendation.

6. In paragraph 9 (b) of its report, the Board drew attention to its 1992-1993 recommendation that the Administration should develop and implement a career development system. That recommendation was reiterated in paragraph 11 (h) of the report of the Board.[3]

7. The career development system, which is based on the principle that responsibility for career growth is shared by the Organization, by managers and by staff members themselves, continues to be developed and strengthened.

8. The Organization continues to invest in the development of staff and to promote a new culture of continuous learning. Staff development needs are met through a combination of centrally coordinated programmes aimed at building core and managerial competencies and a shared organizational culture and values, and decentralized programmes to meet specific substantive and technical training needs. Staff development needs are assessed on an ongoing basis through an annual departmental planning process. The mandatory staff development goal in the performance appraisal system provides an important source of input on individual training and development needs to be included in overall departmental training plans.

9. A competency model, developed through a participatory process, which included staff from throughout the Secretariat was finalized and communicated to all staff in mid-1999. The model, which contains three organizational core values, eight core competencies and six managerial competencies, will assist in promoting shared values and common standards throughout the Organization. The competencies are currently being integrated progressively into all human resources systems, including recruitment, staff development and performance appraisal. A booklet entitled "United Nations Competencies for the Future" was issued to all staff, Secretariat-wide. It is intended to serve as an easy-to-use reference tool which explains the competencies and provides performance indicators, descriptions of observable behaviours that exemplify the competencies in action.

10. Workshops are being conducted throughout the Secretariat to promote greater understanding of the competencies and their applications. Staff development programmes have been realigned and new programmes introduced to support the development of competencies. A new feature called "The Competency Connection" has been introduced in the Staff Development Programme 2000 to highlight the link between development programmes and competencies. New programmes include competency-based interviewing and selection, work planning/coaching for improved performance, creative problem-solving and decision-making, information technology for managers and a series of team-based workshops, including team communication skills. A third phase of the People Management Programme will be introduced to further develop and strengthen the Organization's managerial competencies, at both the individual and the departmental level.

11. A Guide to Developing Competencies will be published in 2000 and distributed to all staff. The guide is intended to serve as a tool for personal development planning. To complement the guide, a curriculum framework will be developed to specify the skills and competencies required to progress to different levels of responsibility in the Organization. Additional publications, including a career support guide and a managers' guide to staff development, will assist staff and managers in planning more effectively for their own career development and that of their staff, particularly in the context of a rapidly changing work environment and ever evolving needs of the Organization.

12. A variety of career support programmes have been developed and are being offered to staff and managers at Headquarters and at offices away from Headquarters, with the objectives of teaching skills for career planning; providing information about organizational systems, job opportunities and requirements; encouraging dialogue; and promoting understanding of the roles and responsibilities of staff, managers and the Organization with respect to career planning and development. These programmes include career development workshops, information sessions, video presentations and panel discussions.

13. In the performance management system, all staff with supervisory or managerial responsibility are required to fulfil goals related to the development of their staff, and all staff members are expected to indicate at least one professional development goal to be achieved during the reporting period. Future revision of the performance management system will

incorporate competencies to further strengthen links between performance management, staff development and career progression.

14. Particular attention continues to be focused on entry-level Professional staff. A career support programme that includes a managed reassignment for new junior Professional staff recruited through national competitive examinations or promoted through the G to P examinations was launched early in 2000. Under the managed reassignment programme, all newly recruited or promoted junior Professionals will receive on-the-job learning opportunities and experience in two functions during their first five years in the Organization. A provision to this effect is included in the offers of appointment and letters of appointment. A voluntary managed reassignment process is now being developed for staff at the P-2 level, with two or more years of service. Other career support mechanisms for entry-level Professional staff include a five-day orientation and development programme, including continuing contact and counselling through personal meetings, telephone and e-mail, which has been in place since 1997. In 1999, follow-up workshops were held for junior Professionals at five offices away from Headquarters and will be conducted at additional duty stations during 2000.

15. As part of the overall human resources management reform programme, which aims to build and maintain the capacity of the international civil service to serve an increasingly field-oriented Organization, proposals are being developed to ensure that the United Nations can manage mobility more effectively and move staff across functions, departments, occupations and duty stations to meet its operational requirements, create a more versatile multi-skilled staff, and provide more varied career opportunities. The Assistant Secretary-General for Human Resources Management is responsible for the implementation of this recommendation.

III. Implementation of recommendations contained in paragraph 11 of the report of the Board of Auditors

16. In paragraph 11 (a) of its report, the Board recommended that the Administration improve monitoring to ensure that final expenditures by each section and responsibility centre were as close as possible to the allotments issued for the biennium.

17. This recommendation continues to be implemented. For the period ended 30 June 1999, there were no over-expenditures at the section level, the level at which the General Assembly appropriates budgetary resources. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for the implementation of this recommendation.

18. In paragraph 11 (b), the Board recommended that the Administration integrate all accounting systems with the Integrated Management Information System (IMIS).

19. The integration of accounting systems with IMIS continues with the progressive implementation of IMIS at offices away from Headquarters and is expected to be completed by April 2001. The Assistant Secretary-General for Central Support Services and the Assistant Secretary-General for Programme Planning, Budget and Accounts are responsible for implementation of this recommendation.

20. In paragraph 11 (c), the Board recommended that the Administration modify Release 3 of IMIS to avoid the necessity of introducing substantial adjustments of accounts receivable and payable outside IMIS; provide detailed information about debtor/creditor identity in respect of each item of accounts receivable and accounts payable; and enable the Organization to actively pursue recovery, especially in long-outstanding accounts.

21. The new general ledger code was added for the After-Service Health Insurance (ASHI) in July 1998 and substantial changes were made to the ASHI interface computer program. Changes in on-line posting rules affecting ASHI documents are being made by the IMIS project team. They are being tested by the Office of Programme Planning, Budget and Accounts and are planned to be migrated into production shortly. The accounts receivable/payable offset reports are being used for the closing of accounts at 31 December 1999. Receivable ageing reports and outstanding contributions-receivable ageing reports are being finalized in 2000. The Assistant Secretary-General for Central Support Services and the Assistant Secretary-General for Programme Planning, Budget and Accounts are responsible for implementation of this recommendation.

22. In paragraph 11 (d), the Board recommended that the Administration plan its major maintenance work sufficiently in advance to avoid the necessity of introducing exigency contracts, to give adequate time for the approval process, to obtain competitive bids and to have sufficient time to vet the background of the contractors and vendors.

23. The Procurement Division began soliciting annual procurement plans of the offices and departments of the Secretariat and offices away from Headquarters in April 1999, in its request for the 1999 plans. The Division contacted the offices and departments for their plans for 2000 in November 1999 and intends to continue to contact offices/departments annually for plans for the following year. Upon receipt of the plans, the information is used in consulting with the relevant offices to develop the planning of actual procurement exercises. This exercise has been implemented to avoid exigency situations to the extent possible, to provide adequate lead time in the procurement process and to achieve economies of scale through the consolidation of procurement, if feasible. The Assistant Secretary-General for Central Support Services is responsible for the implementation of this recommendation.

24. In paragraph 11 (e), the Board recommended that the Administration ensure that prospective bidders have sufficient time to respond.

25. In an effort to provide potential suppliers with adequate lead time while fully acknowledging the need to respond rapidly to requirements, particularly in the area of peacekeeping missions, the Procurement Division has started utilizing its Internet home page to post the requests for expression of interest, which serve as a pre-alert to potential suppliers for upcoming requirements.

26. In paragraph 11 (f), the Board recommended that the Administration include guidelines for open tendering in the Procurement Manual and specify in the Manual the frequency at which the Supplier Review Committee should review the evaluation of potential suppliers.

27. As indicated in the response to the preceding recommendation, the Procurement Division has been utilizing its Internet home page to post the requests for expression of interest. It also provides potential suppliers with information on recent tenders and contract awards in an effort to familiarize potential suppliers with procurement activities of the Division and encourage them to apply for registration with the Division. In addition, the Division has started inviting, on an experimental basis, all potential suppliers registered for a specific product or service for procurement of such product or service. These measures have virtually superseded open tendering in printed media as a more effective means to reach out to potential suppliers.

28. Improved design and use of the Internet home page has enabled the Division to reach a broader segment of the business community and encourage registration with the Division for future business opportunities. To facilitate the registration process and to respond to applications from those suppliers approaching the Division for information posted on the Internet home page in a more timely manner, the Supplier Review Committee has only been convened in cases where the performance of suppliers is in question. The Assistant Secretary-General for Central Support Services is responsible for the implementation of this recommendation.

29. In paragraph 11 (h), the Board recommended that the Administration formulate and implement a strategy for career development without further delay.

30. The response of the Administration is described in paragraphs 5 to 15 of the present report.

31. In paragraph 11 (j), the Board recommended that the Administration consider establishing a system whereby users of common services should be required to pay for such services on a cost-apportioned basis.

32. A system of cost-apportionment for common services has not been established to date. All common service activities developed since 1997 have been implemented through cooperative efforts between United Nations organizations without any incurred financial costs. It is expected that the next phase of activities that will involve further participation from the common service organizations will result in specific financial resource commitments by the concerned United Nations organizations. However, given the variety of the technical areas involved and the nature of their activities, it is foreseen that a variety of cost-apportionment systems would be developed to suit mutually agreed arrangements. The Assistant Secretary-General for Central Support Services is responsible for the implementation of this recommendation.

33. In paragraph 11 (k), the Board recommended that the Administration request the United Nations offices at Geneva and Vienna to adopt the set of key performance indicators proposed by the Secretary-General for conference services and to develop performance indicators to cover other services.

34. Efforts have been made to improve communication and coordination between Headquarters and the United Nations Office at Geneva and the United Nations Office at Vienna in order to ensure efficiency, consistency and quality of services. Such efforts include increased consultations throughout the year and formal discussions at the annual session of the Inter-Agency Meeting on Language Arrangements, Documentation and Publications (IAMLADP). A new and significant mechanism is the convening of an annual meeting of Secretariat conference-services managers with the aim of enhancing coordination among conference services at various duty stations.

35. As pointed out by the Secretary-General in his report (A/54/140, para. 43) and pursuant to the recommendations of the Board of Auditors, workload standards for conference-servicing functions have been applied equally at Headquarters, the United Nations Office at Geneva and the United Nations Office at Vienna. Output and productivity indicators and quality control mechanisms are in place at the three duty stations. Efforts are still being made to explore the possibility of extending performance indicators to cover other services.

36. To address concerns about delay in service delivery, the Department of General Assembly Affairs and Conference Services has tried every means to improve its own performance in this respect, in particular at the United Nations Office at Geneva and the United Nations Office at Vienna, by streamlining and optimizing its working procedures. Further improvement is possible, however, if it can benefit from the understanding and support of author departments. The Under-Secretary-General for General Assembly Affairs and Conference Services is responsible for the implementation of this recommendation.

37. In paragraph 11 (l), the Board recommended that the Administration establish the conference centres of the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP) as separate cost centres, with all costs associated with their operation apportioned to them for more accurate determination of their profitability.

38. With regard to the conference centre for ECA, a separate cost centre has been established and it has been used to record expenditure and income since 1 January 2000. Implementation is also being effected for ESCAP. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for the implementation of this recommendation.

39. In paragraph 11 (m), the Board recommended that the Administration monitor and accelerate the pace of preparedness for managing the year 2000 issue; completely test for compliance of all systems, including those that were considered year 2000 compliant because of their recent development, with sufficient lead time to address any deficiencies, to avoid any surprise at the turn of the century; formally test IMIS for year 2000 compliance; and formulate contingency plans for all systems.

40. The transition to the year 2000 was successful.

IV. Implementation of recommendations contained in the body of the report

41. In addition to the above-mentioned main recommendations, the Board made other specific recommendations throughout the body of the report.

42. In paragraph 23, the Board urged the Administration to consider further the Board's recommendation in its report for the biennium 1994-1995 that the budget performance reports presented to the General Assembly be modified to reflect the actual expenditures and projections closer to the end of the biennium in the context of IMIS Release 3.

43. The recommendation has been implemented by providing in the second performance report for the biennium 1998-1999 projections based on actual expenditure data for the first 20 months of the biennium (increased from 18 months for the previous biennium). Actual expenditure recorded for the biennium 1998-1999 at the closing of the accounts amounted to $2,487.8 million, compared to the projected amount of $2,488.3 million in the second performance report. This represents considerable improvement over the quality of projections in the

second performance report for the biennium 1996-1997, in which expenditures were projected at $2,549.4 million and actual expenditures at the time of the closing of the accounts were recorded at $2,532.7. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for the implementation of this recommendation.

44. In paragraph 48, the Board recommends: (a) that United Nations Headquarters review the level of supporting information provided with inter-office vouchers to ensure that sufficient details were included to enable the transactions to be verified and properly recorded; (b) that United Nations Headquarters and the United Nations Office at Geneva monitor and reconcile the inter-office vouchers on a more regular basis so that by the end of a given financial period such transactions would be properly reflected in the accounts; and (c) that the financial statements show the inter-office vouchers in gross terms, properly classified as transactions awaiting processing.

45. Actions, including the widespread scanning of documents, are being taken to ensure that supporting documents are provided with inter-office vouchers to offices away from Headquarters on a monthly basis. Significant improvement has been made in the processing and reconciliation of inter-office vouchers since 1997. The inter-office vouchers for the prior biennium have largely been cleared prior to the closing of the accounts for the biennium 1998-1999. The financial statements for the biennium 1998-1999 show the inter-office vouchers awaiting processing in gross terms. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for the implementation of this recommendation.

46. In regard to cash management at the United Nations Office at Nairobi, the Board recommended, in paragraph 50, that cash flow forecasting statements should be prepared and effectively used as a tool for cash management.

47. The United Nations Office at Nairobi has taken steps to fully utilize interest-bearing accounts and short-term investments to maximize interest generation. The Office believes that the development of cash forecasting statements will neither generate additional interest income nor yield other benefits. A major difficulty with cash forecasts is that voluntary contributions are difficult to predict and plan for with any degree of accuracy. Therefore, development of formal cash flows is not being considered as it will not yield practical benefits, nor is it cost beneficial. The Director-General of the United Nations Office at Nairobi is responsible for the implementation of this recommendation.

48. In paragraph 63, the Board recommended that ECA and the United Nations Office at Nairobi ensure that bank reconciliations were brought up to date and that non-reconciling items were promptly investigated for the necessary adjustments to be made in the accounts.

49. Bank reconciliations have been brought up to date at ECA and at the United Nations Office at Nairobi.

50. In paragraph 98, the Board recommended that the Administration make efforts to recover the value-added tax improperly paid by the Economic Commission for Latin America and the Caribbean (ECLAC) and make further attempts to resolve the issue of the tax payment on purchases with the national Government.

51. ECLAC intends to seek a prospective change to its statute, which currently prevents filing a claim for reimbursement or seeking exceptional treatment by the host Government, and, in the interest of maintaining smooth relations with the host Government, to accept the decision communicated informally by the host Government to deny reimbursement of past expenses incurred. The Executive Secretary, ECLAC, is responsible for the implementation of this recommendation.

52. In paragraph 144, the Board recommended that the United Nations Office at Geneva and the United Nations Office at Vienna record actions taken in the recruitment or appointment of staff so that delays can be identified, causes analysed and appropriate remedial action taken.

53. With regard to the United Nations Office at Vienna, a "time sheet" on individual recruitment case files indicating dates of actions in the recruitment process was introduced at the beginning of 1998 and is now used as a tool for identifying recruitment or appointment delays and problems.

54. In the beginning of 2000, a report on actual and envisaged post vacancies for both regular budget and extrabudgetary posts was developed at the United Nations Office at Vienna. The report mainly uses post information directly extracted from the IMIS database, showing current vacancies, upcoming vacancies and

the actions being taken. It is being kept up to date by the Finance and Budget Section, the Human Resources Management Section, the Office for Drug Control and Crime Prevention and other programme managers. The report provides another tool to monitor the post vacancy situation and recruitment process.

55. The IMIS appointment and recruitment tracking system for Professional and General Service posts has been implemented at the United Nations Office at Vienna. When the training of replacement staff has been completed, data will be recorded for any upcoming vacancies. The Human Resources Management Section will also review all the data in the tracking system to determine if any data are missing for the beginning of year 2000.

56. With regard to the United Nations Office at Geneva, the IMIS recruitment and appointment tracking system was made available in mid-November 1999. To date the system is still experiencing some difficulties, but should be working efficiently within the next few months in order to provide reliable data through IMIS.

57. However, the Office has been using a locally established vacancy tracking system in respect of Professional and General Service posts since early 1998. The system was further enhanced in May 1999 to include all Professional and General Service posts for foreseen vacancies to the end of 2001. For all projected vacancies, the requests to initiate pre-recruitment actions (preparation of the job description and classification of the posts) are sent to the departments/services concerned at least six months before the posts actually become vacant.

58. The system in use at the United Nations Office at Geneva tracks the number of days it took for the post to be classified, preparation/circulation of the vacancy announcement, pre-screening by the Human Resources Management Section, review by the department concerned, review by the Appointment and Promotion Committee and approval by the Office of Human Resources Management. The system allows delays to be identified, causes analysed and appropriate remedial action to be taken. This information is kept up to date, thus providing a picture of the current situation in any department/service.

59. According to the information gathered, the most time-consuming step in the recruitment process is the departmental review of candidates and the formulation of the department's recommendation. In order to reduce this time, the Human Resources Officers are in permanent contact with the respective departments, assisting them in the preparation of the documentation, the organization of the departmental panel's meetings, etc. On the other hand, the Human Resources Management Section is taking the necessary measures to reduce the time to pre-screen candidates and to submit the recommendations to the departments concerned.

60. This information is being incorporated into the IMIS system.

61. The Director-General of the United Nations Office at Geneva and the Director-General of the United Nations Office at Vienna are responsible for the implementation of this recommendation at their respective offices.

62. In paragraph 224, the Board recommended that the United Nations Conference on Trade and Development (UNCTAD) introduce allotment procedures for its trust fund projects.

63. Implementation of this recommendation was deferred in 1999, pending IMIS Release 3 in the United Nations Office at Geneva as of 1 April 2000. This IMIS release was scheduled to be active at that Office as of mid-April 2000, and it is expected that allotment procedures for UNCTAD trust fund projects will be effective as of the end of May 2000. The Secretary-General of UNCTAD is responsible for the implementation of the recommendation.

Notes

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* (A/53/5), vol. I, chap. II.

[2] Ibid., para. 9 (a).

[3] Ibid., para. 11 (h).